

STATE PERSONNEL DIRECTOR EID CALLS FOR \$47.5 MILLION INCREASE IN EMPLOYEES' COMPENSATION

*75 percent of money to help bring health insurance benefits to prevailing levels;
salaries frozen except for higher-performing employees and employees below job-range minimum*

Troy Eid, Executive Director of the Colorado Department of Personnel & Administration (DPA) and the State's personnel director, today recommended a \$47.5 million increase in total compensation for the State's largest workforce.

In a letter to Governor Bill Owens and Senator Dave Owen (R-Greeley), chair of the Legislative Joint Budget Committee, Eid noted that despite challenging budget times, his recommendation marks a significant step toward the goal of the State "offering a competitive 'total compensation' salary, performance pay and health-insurance benefits package to all Colorado state civil service employees."

"Health insurance benefits for Colorado state employees have fallen farther and farther behind the market over the past decade - to the point where our State reportedly now ranks in the bottom one-third in the nation in the percentage of what the State pays toward the cost of its employees' insurance premiums," Eid wrote. "This is plainly unacceptable."

Eid's recommendation would result in the State paying up to 77 percent of the total cost of its employee's health insurance premiums starting in January 2005. This translates into an average monthly financial benefit of \$334 per employee, or \$4,008 per year, for state employees enrolled in the family plan. The value would be greatest to lower-paid state employees. For example, a state employee currently earning less than \$25,000 and insured on the State's family health plan would see an effective compensation increase of more than 15 percent as a result of the recommendation.

"Beginning in January 2006, I plan to recommend increasing the State's contribution to employees' insurance premiums still further to 85 percent of the

total cost, which is the current prevailing level among Colorado employers," Eid wrote.

In addition to increasing insurance benefits, Eid recommended spending \$2.2 million to adjust salary ranges upward so that no employee would be paid less than what the State's survey of comparable market employers indicated.

Eid also called for earmarking \$12.1 million on funding performance-based pay increases for high-performing state employees. Employees rated higher than average (proficient) in annual performance evaluations would be eligible for substantial increases. Those rated average or below average would have their salaries frozen unless they fell below job-range minimums.

Eid's recommendation was made possible under Colorado's new Total Compensation Reform Act for State Employees (H.B. 1316). The new law was co-sponsored by House Speaker Lola Spradley (R-Beulah) and Senator Ken Arnold (R-Westminster) and overwhelmingly passed by the Colorado General Assembly last spring. The law directs Eid as state personnel director to survey comparable public and private sector employers throughout Colorado to develop a total compensation package that includes competitive health insurance, salary and performance pay.

A copy of Eid's letter is available at www.colorado.gov/dpa/dhr. For more information contact DPA Public Information Officer Jeff Woodhouse at jeff.woodhouse@state.co.us or 303-866-3484

BULLETIN NEWS BRIEFS

- Recently, the Department of Personnel & Administration (DPA) selected HEALTHBREAK, Inc. to manage the new State Employee Wellness Center due to open this month. As a health promotion management company, HEALTHBREAK will provide wellness program and fitness center management services for the new wellness center which will be located at 1570 Grant Street, in Denver.
 - C-SEAP is offering another series of parenting classes for parents of teens. Come learn skills for effectively working through the unique issues of raising a teen. The classes are on September 3, 10, 17 and 24th from 11:30 am - 1:00 pm at 225 E. 16th Ave, Suite 600. Call 303-866-4314 to register. Classes are free to all State of Colorado employees.
 - DHR has published the new *State Personnel System Employee Handbook*. This year's handbook does not include the appendix of executive orders and policies affecting the state workforce, which is now available as a stand alone document under "Rules and Technical Guidance."
- To learn more about these and other human resources, risk management, benefits, and C-SEAP policies and issues, go to www.colorado.gov/dpa/dhr and be sure to check the "News Archive" section under "Quick Links."

2003 FALL CONFERENCE OFFERS DYNAMIC, COST-EFFECTIVE OPPORTUNITY FOR PROFESSIONAL DEVELOPMENT

The 2003 Colorado Fall Conference – Friday, October 17 at The Arvada Center for the Arts & Humanities, \$35 (including lunch and all conference materials) – combines the best of the Annual State Risk Management and Annual Personnel Conferences into a one-day professional development opportunity specifically designed to address the unique challenges of state service.

By combining the two conferences, the DPA Division of Human Resources achieves two very important goals:

- 1) Offering the state workforce a cost-effective and dynamic learning opportunity; and
- 2) Reemphasizing the critical nexus between best-practice risk management and sound human resource policy and practice.

DHR Division Director, Jeff Schutt, notes that, "even in difficult budget years, it is extremely important to invest in our workforce. Supervisors, HR professionals, facilities and risk managers must have access to the information that will help them be even more successful in their jobs. We have worked hard to put together a conference that recognizes budget constraints, and, more importantly, provides the kind of learning opportunities that highlight a cooperative and strategic business vision and will pay dividends for those who attend."

This year's diverse conference workshops underscore these notions by offering something for all of our

customers. The conference continues to provide core risk management topics, such as Vehicle Use: Programs and Policies and Infectious Diseases and Bio Threats workshops. HR professionals also have something to look forward to as the Strategic Staffing and Workforce Development workshops will be lead by Rick Jacobs, noted Penn State University professor, Doctor of Industrial/Organizational Psychology and Vice President Consulting, Americas, SHL.

Conference planners have paid particular attention to offering workshops in each session that will appeal to all supervisors and employees and to honoring past attendees' recommendations. Back by popular demand is the Mock Trial, which this year will focus on a personnel claim. The Lemons to Lemonade and Living with Peril workshops take an integrated approach to the workplace changes all of us are facing no matter our specific line of work. Also, planners have provided the additional requested time for more networking among colleagues.

Registration has begun and a registration form is available in this issue of *The Advisor* and online at www.colorado.gov/dpa/dhr. More information about each workshop and a tentative workshop line-up appear on the registration form.

For more information about the conference, please contact Judi Karg at judi.karg@state.co.us or 303-866-2391.

FAMILY/MEDICAL LEAVE CORNER

BY LAURIE BENALLO
STATE FMLA COORDINATOR

Please share this information with FMLA Coordinators, payroll/benefits staff, risk staff, and any others who work with the FMLA.

Q & A

Q. We have a number of employees who have permanent, lifetime health conditions or family members with serious health conditions that have been designated as qualifying for FMLA. Some of the medical certificates we have on file are old, in one case, it has been three years since a medical certificate was provided. Can we require updated medical certificates from these employees? We would like to set a date to automatically request and notify employees that new medical certificates are due.

A. Whether you can request recertification depends on the circumstances of each individual case. First, use of leave is always the triggering event. The federal regulations only allow recertification when certain conditions are met. An employer may request recertification in connection with an absence no more often than every 30 days unless circumstances described by the previous certificate have changed significantly (such as the duration or frequency of absences, the severity of the condition, complications, etc.) or the employer receives information that casts doubt upon the employee's stated reason for the absence. If the minimum duration of the period of incapacity specified in the medical certificate is longer than 30 days, the employer may not request recertification until that minimum duration has passed unless one of the exceptions above applies.

Based on these requirements, it is inappropriate to automatically require updated medical certificates on a given date, for example, requiring recertification of all health conditions on or around July 1st because of the new fiscal year and subsequent new block of FML hours. First, employees must be using leave in order to request recertification. Some employees with chronic or long-term conditions can go indefinitely without needing leave while others need leave on a more frequent, intermittent basis. Even though an employee may have a qualifying condition, if no leave is being taken for the condition, there is no need for updated medical information.

In addition to taking leave, the 30-day or longer duration applies to the medical certificate on file. If the original medical certificate describes a lifetime condition

that results in occasional, unpredictable, episodic periods of incapacity throughout the employee's lifetime, requiring a new medical certificate is not allowed unless there is a legitimate reason to question the reason for or duration of the leave, or the validity of the medical certificate. Once a lifetime condition is designated as qualifying under the FMLA, leave used in relation to that condition is protected and you cannot rescind the designation for that condition. This is one reason to make designations based on complete medical certificates. If an employee provides documentation that is questionable or incomplete, the employer has the right to ask the employee to obtain clarifying information from the medical provider or the employer may request a 2nd opinion.

In cases where recertification is appropriate, no 2nd or 3rd opinions are allowed. However, you can ask the employee to get clarifying or complete information. You must also give the employee at least 15 calendar days to produce the recertification.

Q. If an employee has a designated serious health condition where leave is used intermittently and we have a medical certificate on file that covers a 6-month period, should we ask for a medical certificate when the employee is absent for more than three consecutive days?

A. In accordance with procedure and statute, an employee who is absent for more than three consecutive working days must provide a medical certificate or sick leave must be denied. In a case where FMLA is already designated for a serious health condition and an employee has an intermittent absence of more than three days for the designated condition, whether documentation is required depends on the specific information in the medical certificate on file. If the conditions of the absence fall within the leave duration and frequency specified in the current certificate, no additional documentation is required or needed. For example, if the medical certificate on file establishes a specific, pre-determined, intermittent schedule of a four-day absence every month for the next six months for medical treatment and recovery, no additional documentation is needed.

If the absence is due to a different condition or is outside the scope of the existing medical certificate, a medical

"FMLA Corner" continued on page 4

PRE-TAX BENEFIT OPTIONS MAY REDUCE DISABILITY BENEFITS

BY VINITA A. BIDDLE, CEBS
EMPLOYEE BENEFITS UNIT

Employees contemplating retirement within a few years are generally aware of the effect of pre-tax benefit options on retirement benefits. Since PERA retirement benefits are based upon the employee's highest average salary (HAS), pre-tax contributions that reduce an employee's PERA-includable salary during the measurement period will also reduce his or her retirement benefit. Employees are often advised to elect the post-tax contribution for medical and dental premiums and to forgo participation in the state's flexible spending account programs during the last three years of employment in order to maximize their retirement benefits.

While this phenomenon is widely known and understood with regard to retirement benefits, the effect on disability benefits is not as well understood.

Since the state's Short-Term Disability (STD) and Optional Long-Term Disability (LTD) plans use "most

recent salary" as the basis for benefits, pre-tax premiums and flexible spending account contributions have no effect on these benefits. PERA, however, uses an employee's HAS and service credit as the basis for benefits in its STD and Disability Retirement programs. The amount of benefit payable under these programs may be significantly lower for an employee whose salary has been reduced by pre-tax premiums for health and dental coverage and contributions to health and dependent day-care flexible spending accounts.

Most employees find that tax-savings over time offset the risk of reduced benefits during a period of disability and decide to continue to utilize the pre-tax benefit options. Those who understand the process are able to make an informed decision and will be spared a big surprise when they file for disability benefits.

For more information contact Vinita Biddle at vinita.biddle@state.co.us or 303-866-3477.

"FMLA Corner" continued from page 3

certificate for the absence is required if sick leave is going to be used and also to meet our obligation to designate under FMLA. For example, the medical certificate on file establishes a general need for leave on an intermittent basis when symptoms occur or on an as needed basis, a medical certificate is required not only to meet the statutory and procedural requirements on the use of sick leave but to confirm whether FMLA applies to an existing or new condition.

ON THE LEGAL FRONT

Taylor v. Invacare Corp. (6th Circuit, May 2003)

Facts: On March 24, 1997, Taylor left work thinking he was having a heart attack and went to the emergency room where he spent the night. He returned to work with a doctor's note advising him to take a one-week vacation, which the employer granted. Leaving work early on the 24th was charged as an "occurrence" under the company's no-fault attendance policy. He took paid vacation in May 1997 to care for his wife and requested two additional days in June to take her to the doctor. The June request was denied, and Taylor took leave anyway. Taylor was warned about his unexcused absences (included his FMLA-protected absences) and

was eventually discharged in February 1998 after missing 10 days in a 12-month period.

Results: Employee granted \$171,465 in back pay, interest, and liquidated damages. Invacare argued that Taylor failed to give advance notice of his need for leave. The court found that the overnight stay in the hospital was a serious health condition, his need was unforeseeable, and that Invacare failed to post the FMLA notice. By not posting the notice, the court found Taylor was relieved of his obligation to provide advance notice.

If you have any questions, contact Laurie Benallo at 303-866-4247 or laurie.benallo@state.co.us.

“CONCEALED CARRY” IN STATE BUILDINGS

BY TOM BELL
SAFETY & LOSS CONTROL SPECIALIST

The Statewide Risk Management Advisory Group (SRMAG) meeting on July 24th included a discussion of the state's new law on concealed weapons permits. The new law is Colorado Revised Statute (CRS) 18-12-214.

Susan Kitchen of the Colorado Bureau of Investigation (CBI) addressed the SRMAG meeting on the concealed carry law. Additional information on the law was obtained after the meeting from the Governor's Office of Legal Counsel.

Some of the important points of the new law are:

- **Applicants for concealed weapon permits:**
 - o must be Colorado residents
 - o must be at least 21 years old
 - o cannot have a perjury conviction
 - o cannot have a record of chronic alcohol or drug use
 - o cannot have a restraining order against them
 - o must be trained in handgun use
 - o must clear state and national fingerprint checks
- **Permit holders may carry concealed weapons in State buildings, unless:**
 - o Security personnel and weapons screening devices are permanently in place at each entrance to the building
 - o Security personnel electronically screen everyone entering the building

- o Security personnel require permitted weapons to be left in their possession until the permit holder leaves the building

• **The new concealed weapons law supersedes the Executive Order on Workplace Violence (D001096).**

• **However, State agencies can still prohibit their employees from carrying any weapons, including permitted concealed weapons, in state buildings or on state business.**

• **Concealed weapons are banned in public schools from kindergarten to 12th grade.**

Colorado Attorney General Ken Salazar recently issued a formal opinion upholding the authority of the University of Colorado to prohibit permitted concealed weapons on their campuses. But this opinion is limited to CU and does not apply to other state colleges and universities.

For more information on concealed weapons and other workplace security issues, go to www.colorado.gov/dpa/dhr (under “Risk Management”).

STATE EMPLOYEE WELLNESS CENTER COMING SOON

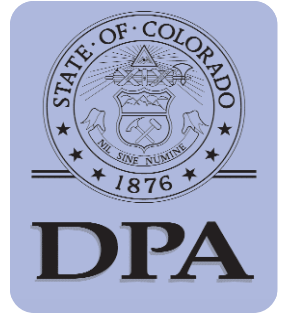
Final plans are underway for the opening of the State Employee Wellness Center, operated by HEALTHBREAK, Inc. The wellness facility will be located in the lower level of the 1570 Grant building. HEALTHBREAK is a health promotion management company that provides consulting, wellness program management, and fitness center management services and were awarded the contract to operate the wellness center.

The State Employee Wellness Center will officially open in mid August. The hours of operation will be open Monday thru Friday, 5:30 a.m.- 6:30 p.m. and Saturdays, 8:00 a.m. to noon. Membership is available to State employees for only \$25 a month. There will be two different joining packages available to choose from, the Basic Start and the Personal Advantage.

HEALTHBREAK will also be offering other fee-for-service programs like wellness incentive programs, weight management, smoking cessation, and health screenings. To stay current on information as it becomes available related to the wellness center and programs, including open house information see www.colorado.gov/dpa/dhr/eap/wellness.htm.

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The sun has set on
the status quo.

Changing times are
changing the way
the state does
business.



2003 Colorado Fall Conference

REGISTRATION FORM

NAME: _____

DEPARTMENT/DIVISION: _____

PHONE: _____ FAX: _____

EMAIL: _____

VEGETARIAN LUNCH: _____

(Please indicate if you would prefer a vegetarian lunch. Thank you.)

COST IS ONLY \$35.00 PER PERSON
(INCLUDES ALL CONFERENCE MATERIALS & LUNCH)

If paying with an IT Document through COFRS, send a copy of the IT YYY document set up to agency AQF. FEIN/COFRS ID #840644739L. Fax to 303-866-2021 and please be sure to provide the Accounting Contact at your department and his or her phone number.

ACCOUNTING CONTACT: _____

PHONE: _____

If paying by check, please make your check payable to State of Colorado, and mail directly to:

Department of Personnel & Administration
Division of Human Resources – Risk Management
1313 Sherman, Rm 122
Denver, CO 80203
Attn: Judi Karg

PAYMENT IS DUE PRIOR TO CONFERENCE

CREDIT CARDS ARE NOT ACCEPTED

CANCELLATIONS NOT ACCEPTED AFTER OCT 13

DEPARTMENT WILL BE CHARGED FOR NO SHOWS

REGISTER ONLINE AT WWW.COLORADO.GOV/DPA/DHR

The 2003 DPA Colorado Fall Conference – Friday, October 17, at The Arvada Center for the Arts & Humanities – combines the best of the Annual State Risk Management and Annual Personnel Conferences into the most dynamic, cost-effective, one-day conference specifically designed to address the unique challenges of state service. Below are our tentative workshop sessions with brief descriptions. Please indicate with a check which workshop you will attend in each session:

SESSION I – 10:15 AM

_____ A. STRATEGIC STAFFING: THE FUTURE OF SELECTION

This workshop will explore the use of competency-based methods for job description, the linking of job description results to assessment tools and the Internet enablement of the entire process. Presented by Rick Jacobs, noted Penn State University professor, Doctor of Industrial & Organizational Psychology and Vice President Consulting, Americas, SHL.

_____ B. LIVING WITH PERIL

The "new face" of Risk Management in times of budget shortfalls and crisis situations. The presentation will focus on mental health and stress issues, burn-out, legal liability concerns, workers' compensation exposures in public workplaces and coping skills.

_____ C. INFECTIOUS DISEASES & BIO THREATS

SARS, West Nile Virus, Hepatitis C, Bio-threats, and their impact on benefits, health care and Workers' Compensation providers and the dangers presented to those in governmental settings.

_____ D. WORKPLACE PREPAREDNESS

Departmental threat assessments, contingency plans in case of a disaster, problems presented by multi-agency buildings and those shared with the private sector.

SESSION II – 1:00 PM

_____ A. DEVELOPING YOUR WORKFORCE: MEETING ORGANIZATIONAL NEEDS

Rick Jacobs will present a four-step organizational improvement process. Tools to make this happen will be presented and ideas will be put to the test through active discussions among participants at the workshop.

_____ B. VEHICLE USE: PROGRAMS & POLICIES

Ted Gross, Service Center Manager, Fort Lewis College will provide an overview of Ft. Lewis College's vehicle use program presentation, which may serve as a prototype for other agencies. Risk Management staff will provide additional material covering passenger van driver's training, policies regarding alcohol use and operation of state vehicles and other vehicle use issues.

_____ C. MOCK TRIAL: PART I

Back by popular demand, the State Office of Risk Management in conjunction with the Attorney General's office will stage a mock trial that explores a personnel-related liability claim.

SESSION III – 2:45 PM

_____ A. LEMONS TO LEMONADE

A panel of state and private-sector HR experts will examine strategies for effectively coping with challenging workplace changes.

_____ B. LIVE OUT LOUD

Humorous video presentation by DHR's Suzanne Woodruff-Regan. In this session, you'll have a great laugh as you learn to develop the skills of living and leading out loud. Boost your energy and vitality, bust your stress and have more fun, and let go of the stuff you no longer need to carry around.

_____ C. MOCK TRIAL: PART II

Stay tuned for the exciting conclusion.

State Employee Wellness Center

Operated by HEALTHBREAK, Inc.



The contract for the management of the fitness facility at 1570 Grant has been awarded to HEALTHBREAK, Inc. HEALTHBREAK is a health promotion management company that provides consulting, wellness program management, and fitness center management services. For more information on their company, see www.healthbreakinc.com.

HEALTHBREAK used the results from the employee interest survey that was administered last June by DPA to State employees in the Capitol Complex area as a strong determinate in all decisions. Over the next few months, HEALTHBREAK will begin the process of opening the fitness center as well as offering other wellness programs to all State employees. Here is a sneak preview of what is coming your way:

Wellness Center in Grant Building Opening August 2003

- State-of-the-Art Equipment
- Cardiovascular & Strength Training
- Certified Health Professionals on Staff
- Membership Fee Only \$25 Per Month
 - Group Exercise Classes
- Fitness Testing and Personal Training

Wellness Programs Open to All State Employees

- Weight Management & Smoking Cessation
 - Wellness Incentive Programs
- Health Screenings and Much More!

Stay tuned for more details!



HEALTHBREAK Mission:

"We are committed to providing quality health promotion programs in order to develop a healthier, more productive workforce through health education, nutrition, and fitness."

DPA DIVISION OF HUMAN RESOURCES ANNUAL HUMAN RESOURCES AWARDS

NOMINATION FORM

DISTINGUISHED SERVICE AWARD

Live one day at a time empathizing ethics rather than rules. ~ Wayne Dyer

Format

Nominations must be no longer than 2 pages (8-1/2 X 11, double spaced, 12-point font) and include the award name, the name, email address and phone number for the nominee and the nominator, and a narrative answer for each of the following questions.

Questions

1. Describe the nominee's sustained leadership in promoting the human resources profession.
2. Describe how the nominee has demonstrated exceptional leadership in the field of human resource management beyond his/her agency.
3. Describe human resource management programs or initiatives that were successful because of the nominee's involvement.

INNOVATIVE HUMAN RESOURCES PROGRAM(S) AWARD

What is originality? To see something that is as yet without a name, that is as yet impossible to designate, even though it stares us in the face. The way it usually is with people, it is a thing's name that makes it perceptible to them in the first place. For the most part, the original ones have also been the name-givers. ~ Friedrich Nietzsche

Format

Nominations must be no longer than 2 pages (8-1/2 X 11, double spaced, 12-point font) and include the award name, the name, email address and phone number for the nominee and the nominator, and a narrative answer for each of the following questions. Also include a brief program summary, not to exceed one page.

Questions

1. Provide a brief description of this program.
2. How long has this program been operational?
3. Why was this program created? What problem(s) or issue(s) does it address?
4. Why is this program a new and creative method?
5. How is the success of this program measured?

HUMAN RESOURCE HERO AWARD

Courage is in the air in bracing whiffs/Better than all the stalemate an's and ifs.
~ Robert Frost, "For John F. Kennedy His Inauguration."

Format

Nominations must be no longer than 2 pages (8-1/2 X 11, double spaced, 12-point font) and include the award name, the name, email address and phone number for the nominee and the nominator, and a narrative answer for each of the following questions.

Questions

1. Describe how the nominee inspires us to become better at what we do?
2. Describe how the nominee models high ethical standards, e.g., raises difficult ethical issues at personal risk.
3. Describe the difficulties of the obstacles the nominee has overcome and the consequences of those efforts.

Submit nominations to jacque.morley@state.co.us by September 1, 2003. Awards will be presented at the annual DPA conference on Friday, October 17, 2003.